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BELORUSSIAN LAND RECLAMATION RESULTS SCORED

[Article by M. Matukovskiy]

"Gold mine"--that is what the reclaimed peatbogs in Belorussia are called. Actually, the curse that for centuries has plagued the Belorussian peasants, has turned out to be a never-ending source of fertility. Some farms of the republic are obtaining from 30 to 40 quintals of grain, 200 to 300 quintals of potatoes, and 300 to 400 quintals of root crops per hectare of reclaimed peatbogs.

But only individual farms yield such a harvest. As for the average indicators, they are low. Last year, for example, a hectare of the improved land yielded 14 quintals of grain, whereas the regular hectare yielded... 12. That is not very rich for a "gold mine." Particularly if one considers that a supplementary amount of from 200 to 400 rubles was invested in every hectare.

Of even greater concern is the reduction in the productivity of some of the reclaimed land. Indicative in this connection is the example of the Lyuban Rayon of Minsk Oblast. At one time it had the reputation of being a kind of laboratory of Belorussian land improvers and was their calling card. However, last year its kolkhozes and sovkhoses harvested an average of 20 quintals of grain per hectare on this "gold mine"--considerably less than in bygone days.

What does this mean? An inevitable law of the exhaustion of formerly rich lands or a miscalculation? Yes, a miscalculation, agrees the republic's minister of agriculture, S.G. Skoropanov. What causes this? The first reason is the disproportion in capital investments. If we allot one ruble for land improvement, then the allotment for everything else pertaining to it should be no less--for the power and technical equipment of kolkhozes, for construction on new land, and for mineral fertilizer. Today in allotting one ruble for land improvement we only invest 50 or even 30 kopeks in other parts of the same undertaking. Hence the imbalance. We have spent tens of millions of rubles and drained large areas of peatbog, and their yield is insignificantly small.

As everyone knows, there are no miracles in nature. How can one hope for a high yield from the reclaimed lands, if we do not apply even half of the required minimum amounts of mineral fertilizer? During the past 2 years the farms of the republic applied only 80 to 100 kilograms of potassium phosphate fertilizer per hectare of reclaimed land computed on the basis of active ingredients instead of the required 190 to 230 kilograms.

The second reason is the low quality of land improvement work. I am certain that the efficiency of the reclaimed lands would double or triple if the land improvers were obligated to grow the first harvest on them. Meanwhile their use of large funds is absolutely unaudited. It is they who set up the plans, perform all the work, and accept it. It is true that the farm managers participate formally in this work. But the money spent on land improvement does not belong to the kolkhoz but to the state. At times the kolkhoz managers close their eyes to the shortcomings just so they can use 200 to 300 free hectares of land as quickly as possible.

All this results in the fact that every year it becomes necessary to carry out additional land improvement work over large areas. I believe that the volume of land improvement work in the republic is excessive. Less, but better work should be performed, and part of the funds that are spent annually on land improvement should be used to improve land utilization...

The following is an interview with the Belorussian minister of reclamation and water economy, A. V. Aleksankin. "I do not think one should force the land improvers to be concerned with work that lies outside their field, namely cultivating crops on drained land. In the first place, this will divert us from the main task. In the second place, we will have to create our own agricultural service, a miniature ministry of agriculture. Nevertheless, we are already trying to cultivate grass in some places."

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"Many superfluous expenditures are caused by the low quality of land improvement work. Of course, there are shortcomings in our work as in any work, but these are details and not the main, determining factor. For example, we are reproached for a low percentage of underground drainage in respect to total volume of work. But organization of clay tile drainpipe production in the republic is very poor. This year we are 15 million pipes short. We are experiencing an acute lack of equipment, even conventional motor transport. Many types of complex operations have to be done by hand. There is no machine which cuts up brushwood on drained land and reprocesses wood for its further use. And yet there are hundreds of thousands of cubic meters of this brushwood! Many land reclamation machines produced by the Mozyrsk plant are imperfectly constructed and have low productivity. And the demands on us land improvement specialists increase from year to year.

"And then let us consider that up to now we have worked without sufficiently clear and substantiated recommendations from scientists. Our science has not been prepared to answer a number of important questions related to increasing the scope of land improvement work."

Yes, Aleksandr Vasilyevich is correct in many ways. Land reclamation equipment is really in short supply. Many machines are imperfect. Scientists have not resolved several important problems related to land improvement. But, in asserting that supposedly in Belorussia demands for quality in land improvement have been overstated, the Minister stretched the truth.

Today the gross errors of past years have come to light and made themselves known; errors which occurred when land improvement specialists in pursuit of volume and low prices built drainage canals without locks and thoughtlessly straightened river beds, i.e., hurried to get rid of water without concerning themselves with anything else. As a result, vast land masses particularly in the region of the Polesye Lowlands were excessively drained.

The stubbornness of land improvement specialists and some scientists supporting the one-stage control of water conditions in drained lands resulted in a serious failure. And now one must pay through the nose for the sake of the "economy."

In the Marinsk marsh tract, which covers more than 10,000 hectares, only four locks have been built. This is equal to nothing. Unfortunately, there are many such examples in Belorussia. The sharp drop in the ground water level which land improvers "succeeded in reaching" did not simply entail the drainage of land. Settling of peat and decomposition of its organic elements began. Peat bogs slowly burned up. In some places they completely disappeared exposing fine-grained, barren sand.

How can one fail to talk, Aleksandr Vasilyevich, about the quality of land improvement when out of 1,253,000 hectares of reclaimed land, two-stage control of water conditions operates on only 800 hectares?

The third interview is with the secretary of the Lyuban Raykom, A. I. Sloboda, who is known in the republic as a "fighter against land improvement." This is because he frequently criticizes land improvement specialists. But it is easy to understand his position: As a hereditary graingrower, whose grandfathers and great-grandfathers grew up on this land, he cannot act otherwise.

"The length of the drainage network in our rayon is 5,000 kilometers. But it includes only 48 locks and 184 pipe regulators. In order to retain spring waters, pipe regulators are shut off from the beginning of spring. But this does not save the situation. The Oressa river bed has been straightened, the canals are very deep, the drains are placed considerably higher than the level of water in the canals. Peat bogs in the summer are transformed into fine dust. With each summer the number of peat storms which carry off the upper layer of soil and seeds increases. In the Oressa Basin in many sectors where there were deep peat bogs before drainage only sandy subsoils remain.

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"Cheap" land improvement has resulted in the disappearance of water from many wells of our region. Now it is necessary to sink deep artesian wells. Rivers have become shallow, and reservoirs have begun to dry up and become grown over. Boyanichi and Zagalskoye lakes have been almost completely overgrown. Appearing in the single role of customer and contractor, the land improvers are doing on the whole only what is advantageous for them: they are building large-scale structures and main canals, paying hardly any attention to the reconstruction of the existing drainage system. In the name of this very same "economy," locks, roads, and bridges are not being constructed.

Or here is still another typical example. In the "Lyuban" fish farm the land improvement workers, in building feeding ponds, used wooden wattles instead of concrete slabs for strengthening the banks. The result was a saving of 175,000 rubles. But now it is necessary to invest three times as much in order to repair the ponds.

These are cases in one region. And the scope is already greater... In 1967 the land improvement organizations of the republic did not fulfill the plan for putting into operation drained lands, cultural-technical works, and the construction of bridges, locks, and culverts. The funds allotted for the repair of the drainage system have not been used. The projects are being dragged out for many years. The draining of the experimental area of "the upper reaches of the Essa River" with an estimated cost of 1,480,000 rubles, begun in 1964, should have been completed in 1966. But even now its end is not in sight. The volume of uncompleted construction for the republic during the past year increased 9,300,000 rubles and by 1 January 1968 totaled 30,800,000 rubles.

At the beginning of the year the republic Ministry of Finance and the Belorussian branch of Gosbank conducted a spot check of some of the completed and uncompleted land improvement projects. Numerous instances of misrepresentation of state accounts were ascertained. Additions of 520,000 rubles were discovered. And this was during a chance spot check! This is what the system--I design it myself, I build it myself, and I accept it myself--leads to.

The last and fourth interview on the "gold mine" was given by A. V. Rasumenko, deputy chairman of the republic Gosplan. "In the current 5-year period the Belorussian land improvement workers must drain 1,550,000 hectares of swampland. A great volume of work is planned for the next 5-year period. Hence it is clear what major significance the correct use of drained lands acquires for the republic. I cannot say that everything is all right with us here.

"I doubt whether one can acknowledge as wise the land use program for the reclaimed peat bogs: the proportion of arable lands is not great and it is not changing with time. In the complex of problems connected with the use of the Belorussian 'gold mine,' first priority belongs to mineral fertilizers. I, for example, think that mineral fertilizers for drained lands must be allotted according to special designation, as is done, let us say, for cotton. Before 1970 we must have a minimum of 5.5 million tons of mineral fertilizers. Gosplan promised to allocate 3.6 million tons. But it is already clear that we are not getting this amount.

"Recently land improvement work has been carried out on huge territories of river basins. On such scales it is impossible to permit thoughtless interference with the natural processes of nature. Scientists should have given an answer as to what influence land improvement will have on the change in the water conditions of the entire territory and on the natural landscape. How to reclaim the sands of Polesye? How do the woodlands influence the river conditions? These and other questions will remain unanswered, although there is an institute for land improvement and water resources and an institute of water problems in the republic."

It seems it is not so simple and easy to take the treasure which lies under our feet. We need the great expertise of the grain grower and the firm alliance with science, as well as the unconditional interest of all those who walk along the "gold mine." The Belorussian land improvement workers have done a great deal. But have they become the true masters of the "gold mine" and do they experience completely the feelings of responsibility for the present and the future of the drained lands?

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The Russian economy: Czech medicine needed

The Czech crisis and the Russian economy are intimately connected in two ways. First, under the present Russian five-year plan military spending is already top priority and this is causing enormous strain. If, as a result of the tenser international atmosphere, the Russians now decide to step up that priority further, then the whole economy is heading for serious trouble, with the inevitable possibility of domestic political trouble too. Alternatively, the very fact that economically Russia needs a relaxed international atmosphere may mean that, with the immediate Czech crisis over, it will make an enormous effort to return east-west relations to their previous harmonious state, treating Czechoslovakia as an isolated case. Second, if, in the upshot, the present crisis does exacerbate Russia's economic problems, it will increase the need to get more out of the economy by greater efficiency—and so reinforce the demand for economic reform. Which is where the Czechs came in.

At the moment the USSR is formally working within the guidelines of the five-year plan, which began at the beginning of 1966. This plan contained a number of goals, but, like a lot of other national leaders, the Brezhnev-Kosygin collective leadership

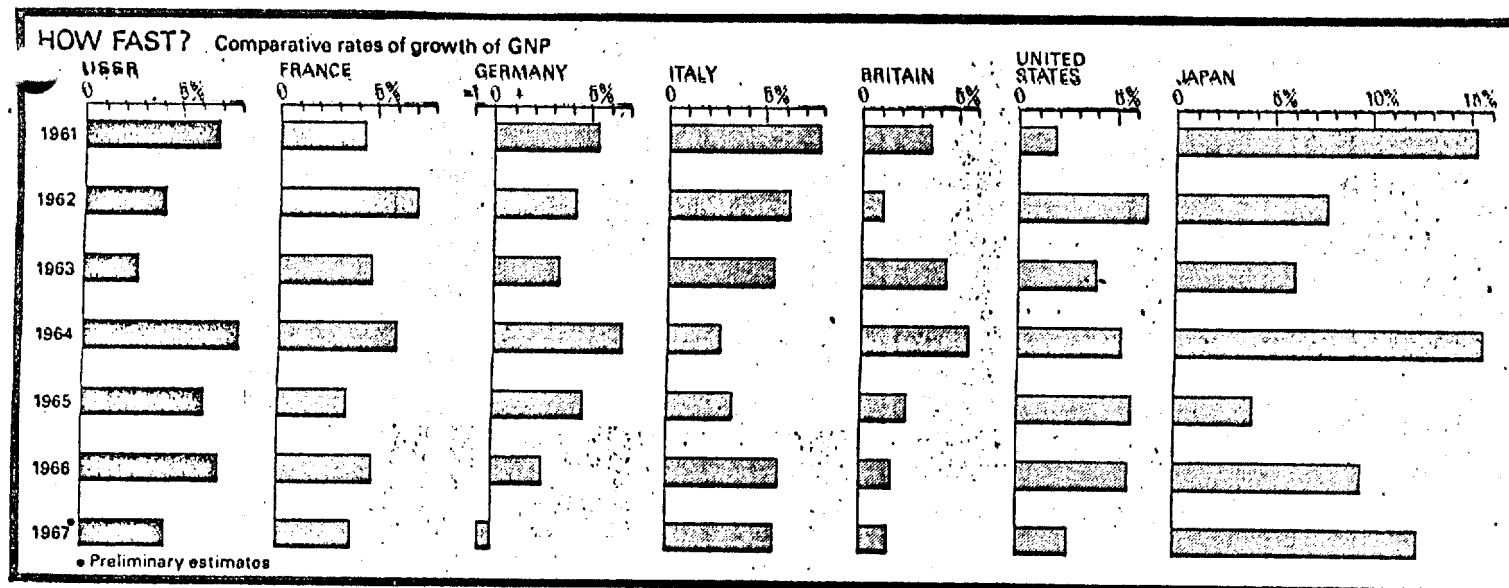
has had difficulty in making up its mind about a precise order of priority, and therefore the allocation of scarce resources. In fact western industry comes out with a new product, say colour television sets, the first prices are high, but as demand and production increase they decline rapidly. In Russia this is very much less likely to happen. Prices will stay high for a long time while production is increasing. This means that, measured in value terms, production appears to go up very rapidly indeed, when in unit terms it is not in fact advancing so fast. Communist economists call this hidden inflation. Equally a far larger proportion of goods produced are never used because they are too badly made; some for a long time after the beginning of 1966 it avoided hard choices, and only since January of this year has a rough short-term view emerged. On the whole this seems to be: 1, there must be an increase in the proportion of gross national product spent on defence; 2, there must be large, and quick, additions to consumer money incomes; 3, as a result a cut-back in investment is inevitable; 4, agriculture will have to suffer too.

Defence

Military spending has in fact been rising for some time, as the figures in the state budget indicate. The Russians seem to have reached a conscious decision two or three years ago that, one, they were too far behind America as a nuclear power, and, two, while they have always possessed a conventional force well placed to do almost anything asked of it in Europe (as recent events have proved), they are not well equipped to operate effectively outside Europe.

The nuclear gap is being closed at a very rapid rate. For instance, whereas at the beginning of this year America enjoyed a superiority in warheads of 4 to 1, by December it will be down to 3 to 1. On the conventional side, Russia is building up its marine force, and improving the flexibility of its navy in a number of ways. It has built two heli-assessments, again by communist economists, are that this can knock 5% a year off the apparent annual industrial production.

The Russian figures must therefore be written down to an unknown extent for these kind of factors, which makes the performance rather less impressive. It is very unlikely, for instance, that the Russians enjoy a higher standard of living than the Japanese



or Italians, though the per capita figures imply that (see table). Even taking the figures as they stand they show clearly that growth is tending to flatten out. Whereas in 1956-58 the

copter carriers, and has a small fleet in the Indian Ocean, as well as the now famous one in the Mediterranean.

On the consumer side, it has been a matter of consciously reversing former priorities. For a long time the investment going into the consumer side of Russian industry has been increasing more slowly than that going into the heavier end. So output of consumer goods has risen slowly too. Between 1951 and 1955 output of what might roughly be called the capital goods industries went up by 12.4% a year; non-durable consumer goods by 10%. Between 1956 and 1960 the respective figures were 13% and 6.9%; 1961-1965, 11.3% and 4.8%.

In 1966 and 1967, for the first time for 15 years, the output of the non-durable sector rose slightly; the capital goods sector continued to show a declining annual increase. The non-durable sector is particularly affected by agriculture, because a lot of it is processing and Russia had excellent harvests in 1966 and 1967, but the same change holds for other consumer goods sectors too. At the same time money incomes are being increased; 1967 saw a packet of wage and welfare reforms. Money incomes are planned to go up by no less than 9% this year.

Something has to give, and it has emerged as being investment and agriculture. Agriculture was given a high priority initially because of average annual rate of growth was 7.4%, in 1959-61 it was 5.8%, and in 1962-67 5.4%. This must be related to the slow-down in the annual increase in investment which has already occurred in the 1960s. The 1966-67 plan admits the trend, by postulating a rate of growth lower than in any previous plans.

What now?

What is going to happen now? The good harvests of the last two years will not necessarily repeat themselves. There are already the relative failure of this sector under the Khrushchev seven-year plan. The per capita output of farm products in 1965 was about the same as it was in 1958. Huge imports of grain from the west were necessary. But things improved rapidly in 1966 and 1967,

in agriculture, and down the list of priorities. Investment in agricultural machinery and equipment may be down by as much as one-third on the first plans. The rate of growth of total Russian investment has nearly halved in the 1960s compared with the 1950s, and the trend still continues. Fixed investment in construction grew at an annual average rate of 12.7% in the 1950s; now it is down to 7.4%.

Growth

This must lead to a slow-down in the overall growth of Russian gnp in the years ahead. Measuring the Russian performance in this area is very tricky. The figures in the charts are taken from the recent report by a sub-committee of the Joint Economic Committee of the American Congress, as is much of this analysis. This report was briefly commented on in *The Economist* of July 20th. What this shows is that Russia has achieved a fairly healthy growth rate year by year, and reduced the gap between itself and America.

The American economists have done a fairly sophisticated job in reinterpreting Russian figures in western terms, but there are certain qualifications which must be made about Russian figures of this kind. For instance, when inflationary pressures at work on the consumer side. Between 1961 and 1966 retail sales went up by 37%; but personal savings rose by 221%, or nearly six times as fast. This level of savings is unprecedented in an economy with the per capita income of Russia's, which makes it very likely that it reflects a rising level of unsatisfied consumer demand. At the present level of living standards people still want to spend more on food. So if the harvests are not so good, this will increase the pressure of unsatisfied demand. All of which means that it is going to be very difficult indeed to put the brakes on investment and output on the consumer goods side.

But the pressure for an even bigger military budget will also be intense. Quite apart from an escalation of international tension, the Americans were already thinking of going in for multi-warhead weapons, such as Mirv (see page 13). If they do, it will once again widen out the nuclear gap between America and Russia, so that Russia will either have to abandon one of its principal defence aims, or spend even more. And this kind of weaponry is

quite possible that the annual growth of gnp will drop below 5%. With America expected to grow at 4.4% a year up to 1975, it will begin to climb out of reach again.

One way out is for Russia to use its resources more efficiently. This raises the question of economic reform. Russia already has its own programme of reform, which is going ahead absolutely on schedule, and with very little opposition. But it is a very timid programme. For instance, one of the measures of the extent to which an economy has moved away from complete central planning is the proportion of prices which are determined by market forces. Even under Novotny, the Czechs allowed 17% of all prices to be so determined; in Kadar's Hungary the proportion is 30%. But in Russia, the proportion is very much less than 17%, though the figure is not known precisely. In other words, the Russians have barely touched the problem. They are nowhere near allowing prices to fluctuate so that profits can be used as a yardstick of efficiency.

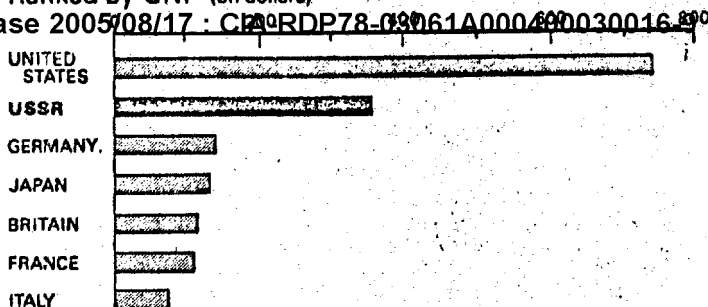
Their reforms do allow the go-ahead local plant manager more scope for initiative and expansion, but it is still quantity which is the goal, not quality or efficiency. So the effort is tame by other east European standards, yet the problem is if anything worse. Russia's incremental capital output ratio, for instance, compares unfavourably with western countries, i.e. it takes more investment to get a given unit of national output. The evidence available to economists shows that the producer goods section was continuing to devour a growing proportion of its output for use in its own expansion, rather than for release to help the consumer goods section.

Matters have been improved a little in the last few years. The rate at which older equipment has been retired has been slowed down; more has been spent on repairs, and so on. But this is literally just patching things up, and, if anything, adds to the problem of quality. The evidence is that it was this quality problem which made the Czechs, relative late-comers to economic reform, push so hard along the path. They were horrified at the technological and quality gap which existed between them and their western competitors, and realised that it required a radically different system to close it. Planning by crude physical targeting just would not do. It would be ironic if the strain of coping with its

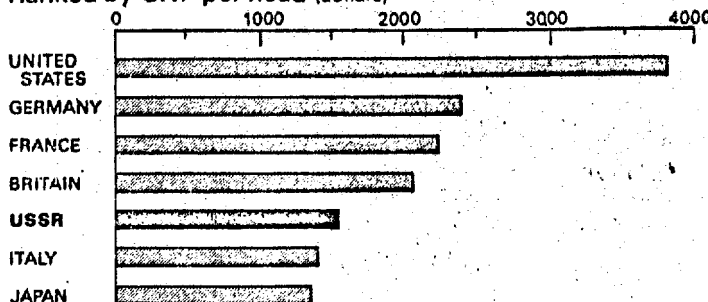
political problems—Czechoslovakia among them—pushed Russia down the same economic path as the Czechs. But it is possible.

HOW BIG? Dollar value of GNP in 1966

Ranked by GNP (bn dollars)

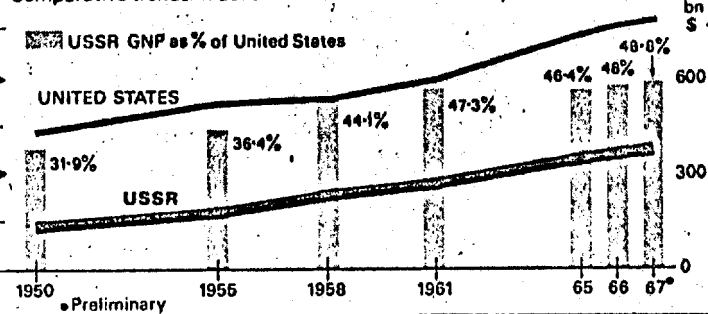


Ranked by GNP per head (dollars)



GROWTH v AMERICA

Comparative trends in dollar values of GNP in market prices



The USSR budget (in billions of current roubles)

(1) Expenditure

	1960	1966	1967	Plan 1968
Financing the national economy	34.13	45.18	49.9	50.19
Industry and construction	15.59	21.06	—	23.9
State agriculture and procurement	4.75	6.30	—	9.0
Trade (foreign and domestic)	3.59	2.84	—	4.0
Transport and communications	2.81	2.61	—	2.3
Municipal economy and housing	3.22	4.53	—	—
Residual	4.17	7.84	—	—
Social-cultural measures	24.94	40.76	43.4	45.81
Education, science and culture	10.31	18.73	19.9	21.0
Health and physical culture	4.84	7.10	7.4	7.6
Social welfare measures	9.79	14.93	16.1	17.1
Defence	9.30	13.40	14.5	16.70
Administration	1.09	1.41	1.5	1.53
Loan service	.7	.1	.2	.2
Residual	2.97	4.73	5.0	9.17
Total expenditure	73.13	105.58	114.5	123.60

* Not available

(2) Revenue

	1960	1966	1967	Plan 1968
Social sector	70.14	97.03	105.5	112.77
Turnover tax	31.34	39.31	40.9	42.2
Deductions from profits	18.63	35.68	39.6	43.8
Income tax on organisations	1.85	1.15	—	—
Social insurance receipts	3.74	6.00	—	—
Residual	14.58	14.89	—	—
Private sector	6.94	9.27	10.0	11.14
State taxes on the population	5.60	8.44	9.2	10.3
Money-goods lotteries	.14	—	.2	.2
Residual	.29	—	—	—
Total revenue	77.08	106.30	115.6	123.91